GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4428
ANSWERED ON:19.05.2006
STATUS OF MEGA POWER PROJECTS
Acharia Shri Basudeb

Will the Minister of POWER be pleased to state:

(a) Whether the Ministry of Power has asked the Ministry of Finance to change the existing criteria to accord the status of Mega Power Projects;

(b) If so, the details thereof and the reasons therefor;

(c) Whether it had also asked for lowering the criterion for hydel power generation plants;

(d) If so, the details thereof; and

(e) The decision taken in this regard?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (e):
(i)The Mega Power Policy was first announced in November, 1995 with the approval of the Cabinet wherein no fiscal concessions were proposed. The policy has, however, been revised from time to time based on the experience gained and the concerns of the stakeholders.The amendments to the policy are made with the approval of the Cabinet after due inter-ministerial consultations including with the Ministry of Finance.

(ii)The Mega Power Policy was revised in November, 1998 to include fiscal incentives to all inter-state projects of 1000 MW capacity for thermal and 500 MW capacity for hydel, subject to compliance of stipulations contained in the policy.

(iii)In the latest amendment to the policy, approval has been given for the minimum qualifying capacity for mega benefits for inter-state thermal power plants to be reduced from 1000 MW to 700 MW and correspondingly for hydel projects, from 500 MW to 350 MW only in respect of projects located in the States of J&K, the 7 States of North East and Sikkim.